



DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Announcement of Grant Application Deadlines and Funding Levels

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of funds availability and solicitation of applications.

SUMMARY: The United States Department of Agriculture's (USDA) Rural Utilities Service (RUS) announces its Community Connect Grant Program application window for Fiscal Year (FY) 2012. In addition, RUS announces the minimum and maximum amounts for Community Connect grants applicable for the fiscal year. The Community Connect Grant Program regulations can be found at 7 CFR 1739, subpart A.

DATES: You may submit completed applications for grants on paper or electronically according to the following deadlines:

- Paper copies must carry proof of shipping no later than [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be eligible for FY 2012 grant funding. Late applications are not eligible for FY 2012 grant funding.

- Electronic copies must be received by [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be eligible for FY 2012 grant funding. Late applications are not eligible for FY 2012 grant funding.

ADDRESSES: You may obtain application guides and materials for the Community Connect Grant Program via the Internet at the following Web site:
http://www.rurdev.usda.gov/utp_commconnect.html. You may also request application guides and materials from RUS by contacting the appropriate individual listed in section VII of the **Supplementary Information** section of this notice.

Submit completed paper applications for grants to the Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW, Room 2868, STOP 1599, Washington, DC 20250-1599. Applications should be marked “Attention: Director, Broadband Division, Rural Utilities Service.”

Submit electronic grant applications at <http://www.grants.gov> (Grants.gov), following the instructions you find on that Web site.

FOR FURTHER INFORMATION CONTACT: Kenneth Kuchno, Director, Broadband Division, Rural Utilities Service, U.S. Department of Agriculture, telephone: (202) 690-4673, fax: (202) 690-4389.

SUPPLEMENTARY INFORMATION:

Overview

Federal Agency: Rural Utilities Service (RUS).

Funding Opportunity Title: Community Connect Grant Program.

Announcement Type: Initial announcement.

Catalog of Federal Domestic Assistance (CFDA) Number: 10.863.

Dates: You may submit completed applications for grants on paper or electronically according to the following deadlines:

- Paper copies must carry proof of shipping no later than [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER], to be eligible for FY 2012 grant funding. Late applications are not eligible for FY 2012 grant funding.
- Electronic copies must be received by [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER], to be eligible for FY 2012 grant funding. Late applications are not eligible for FY 2012 grant funding.

Items in Supplementary Information:

I. Funding Opportunity: Brief introduction to the Community Connect Grant Program

II. Award Information: Available funds and minimum and maximum amounts

III. Eligibility Information: Who is eligible, what kinds of projects are eligible, what criteria determine basic eligibility

IV. Application and Submission Information: Where to get application materials, what constitutes a completed application, how and where to submit applications, deadlines, items that are eligible

V. Application Review Information: Considerations and preferences, scoring criteria, review standards, selection information

VI. Award Administration Information: Award notice information, award recipient reporting requirements

VII. Agency Contacts: Web, phone, fax, email, contact name

I. Funding Opportunity

The provision of broadband transmission service is vital to the economic development, education, health, and safety of rural Americans. The purpose of the Community Connect Grant Program is to provide financial assistance in the form of grants to eligible applicants that will provide currently unserved areas, on a “community-oriented connectivity” basis, with broadband service that fosters economic growth and delivers enhanced educational, health care, and public safety services. Rural Utilities Service will give priority to rural areas that it believes have the greatest need for broadband services, based on the criteria contained herein.

Grant authority will be used for the deployment of broadband service to extremely rural, lower-income communities on a “community-oriented connectivity” basis. The “community-oriented connectivity” concept will stimulate practical, everyday uses and applications of broadband facilities by cultivating the deployment of new broadband services that improve economic development and provide enhanced educational and health care opportunities in rural areas. Such an approach will also give rural communities the opportunity to benefit from the advanced technologies that are necessary to achieve these goals. Please see 7 CFR 1739, subpart A for specifics.

This notice has been formatted to conform to a policy directive issued by the Office of Federal Financial Management (OFFM) of the Office of Management and

Budget (OMB), published in the Federal Register on June 23, 2003. This Notice does not change the Community Connect Grant Program regulation (7 CFR 1739, subpart A).

II. Award Information

A. Available Funds

1. General. The Administrator has determined that the following amounts are available for grants in FY 2012 under 7 CFR 1739.2(a).

2. Grants

a. \$10,372,000 is available for grants. Under 7 CFR 1739.2, the Administrator has established a minimum grant amount of \$100,000 and a maximum grant amount of \$1,500,000 for FY 2012.

b. Assistance instrument: Rural Utilities Service (RUS) will execute grant documents appropriate to the project prior to any advance of funds with successful applicants.

B. Community Connect grants cannot be renewed. Award documents specify the term of each award. Applications to supplement existing projects are welcomed (grant applications must be submitted during the application window) and will be evaluated as new applications.

III. Eligibility Information

A. Who is eligible for grants? (See 7 CFR 1739.10.)

1. Only entities legally organized as one of the following are eligible for Community Connect Grant Program financial assistance:

- a. An incorporated organization,
 - b. An Indian tribe or tribal organization, as defined in 25 U.S.C. 450b(b) and (c),
 - c. A state or local unit of government,
 - d. A cooperative, private corporation or limited liability company organized on a for-profit or not-for-profit basis.
2. Individuals are not eligible for Community Connect Grant Program financial assistance directly.
3. Applicants must have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.
4. Corporations that have been convicted of a felony (or had an officer or agency acting on behalf of the corporation convicted of a felony) within the past 24 months are not eligible. Any Corporation that has any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, is not eligible.

B. What are the basic eligibility requirements for a project?

1. Required matching contributions. Please see 7 CFR 1739.14 for the requirement. Grant applicants must demonstrate a matching contribution, in cash or in kind (new, non-depreciated items), of at least fifteen (15) percent of the total amount of financial assistance requested. Matching contributions must be used for eligible purposes of the Community Connect grant assistance (see 7 CFR 1739.12).
2. To be eligible for a grant, the Project must (see 7 CFR 1739.11):

- a. Serve a Rural Area where Broadband Service does not currently exist, to be verified by RUS prior to the award of the grant;
- b. Serve one Community recognized in the latest U.S. Census or in the absence thereof, the most recent edition of the Rand McNally Atlas containing population data;
- c. Deploy Basic Broadband Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;
- d. Offer Basic Broadband Service to residential and business customers within the proposed Service Area; and
- e. Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

C. See paragraph IV.B of this notice for a discussion of the items that make up a completed application. You may also refer to 7 CFR 1739.15 for completed grant application items.

IV. Application and Submission Information

A. Clarifications to requirements for FY 2011.

1. Although 7 CFR 1739.3 defines Broadband Service as 200 kilobits/second both in the downstream and upstream directions, the Agency recognizes that these speeds are not adequate to deliver much needed benefits such as distance learning and telemedicine to communities that are not currently receiving broadband service. Therefore, when the applications are scored for the “community-oriented connectivity benefits derived from the proposed services,” emphasis will be placed on the amount of bandwidth that is being

delivered to the customer. Although the amount of bandwidth is not the only item that will be evaluated for this criteria, the bandwidth being provided to enhance rural economic development will have a direct impact on the score that is assigned. All applicants are encouraged to construct systems that are capable of delivering the broadband speeds that are identified in the Federal Communications Commission's National Broadband Plan, available on its website.

2. When determining the points that will be awarded for the "community-oriented connectivity" benefits derived from the proposed service, systems that are proposing to deliver more than the minimum bandwidth requirements have a greater potential of receiving the maximum number of points for this category.

3. When determining if a community has no existing broadband service, applicants are encouraged to refer to the Federal Communication Commission's National Broadband Map, also available on its website. Note that wireless services meeting the definition of broadband service will disqualify an area from being eligible to receive funding under this program.

4. RUS clarifies that the definition of "Critical Community Facilities" includes the mandatory Community Center.

5. For all funding commitments, including matching funds, evidence must be submitted demonstrating that funding has been obtained and that the entity providing this funding has the resources to fulfill the commitment. If the appropriate funding commitments are not included in the application, the application will be deemed ineligible for consideration. This evidence must:

- a. Clearly state the name of the entity that is making the commitment;

b. Include the amount of the commitment and evidence that the entity making the commitment has the necessary resources; and

c. State the purpose of commitment.

6. RUS clarifies that in order to qualify as eligible grant costs or matching fund contributions, operating expenses incurred in providing Broadband Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction must be for the following purposes subject to the specified maximum amounts:

a. Salary for operations manager, not to exceed \$30,000 per year.

b. Salary for technical support staff, not to exceed \$30,000 per year.

c. Salary for community center staff, once operational, not to exceed \$25,000 per year.

d. Bandwidth expenses, once operational, not to exceed \$25,000 per year.

e. Training courses on the use of the Internet, not to exceed \$15,000 per year.

The operating costs to be funded by the grant or from matching contributions cannot exceed in the aggregate \$250,000. No other operating expenses than those listed above are eligible for grant funding or to be considered as matching funds. The period for expenses to be considered eligible for grant funding or to be used as an in-kind match is three years from the date the Administrator signs the award documents.

7. Community means any incorporated or unincorporated town, village, or borough located in a Rural Area, that is recognized in the latest decennial census as published by the Bureau of the Census or, in the absence thereof, in the most recent edition of a Rand McNally Atlas containing population data.

8. RUS clarifies that the economic need of the applicant's service territory will be based on the median household income (MHI) for the Community serviced and the state in which the Community is located, as determined by the decennial census for the year 2000 of the U.S. Bureau of the Census. If the community was qualified using the Rand McNally Atlas, the applicant must use the MHI, contained in the 2000 decennial census, of the county in which the Community resides as the Community MHI.

B. Where to get application information. The application guide which contains forms and samples, and the Community Connect Grant Program regulation are available from these sources:

1. The Internet: http://www.rurdev.usda.gov/utp_commconnect.htm .

2. The RUS Broadband Division, for paper copies of these materials call (202) 690-4673.

You may file an application in either paper or electronic format. Whether you file a paper or an electronic application, you will need a DUNS number.

1. DUNS Number.

As required by the OMB, all applicants for grants must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number when applying. The Standard Form 424 (SF-424) contains a field for you to use when supplying your DUNS number. Obtaining a DUNS number costs nothing and requires a short telephone call to Dun and Bradstreet.

Please see http://www.grants.gov/applicants/request_duns_number.jsp for more information on how to obtain a DUNS number or how to verify your organization's number. For electronic applications, you must file an electronic application at the Web site: <http://www.grants.gov>. You must be registered with Grants.gov before you can

submit a grant application. If you have not used Grants.gov before, you will need to register with the CCR and the Credential Provider. You will need a DUNS number to access or register at any of the services.

2. Central Contractor Registration (CCR).

(a) In accordance with 2 CFR part 25, applicants, whether applying electronically or by paper, must be registered in the CCR prior to submitting an application. Applicants may register for the CCR at <https://www.uscontractorregistration.com/> or by calling 1-877-252-2700. Completing the CCR registration process takes up to five business days, and applicants are strongly encouraged to begin the process well in advance of the deadline specified in this notice.

(b) The CCR registration must remain active, with current information, at all times during which an entity has an application under consideration by an agency or has an active Federal Award. To remain registered in the CCR database after the initial registration, the applicant is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the CCR database to ensure it is current, accurate and complete.

C. What constitutes a completed application?

1. Detailed information on each item required can be found in the Community Connect Grant Program regulation and the Community Connect Grant Program application guide, available at the internet link above. Applicants are strongly encouraged to read and apply both the regulation and the application guide. This Notice does not change the requirements for a completed application as specified in the Community Connect Grant Program regulation. The Community Connect Grant

Program regulation and the application guide provide more specific guidance than contained in this NOFA and the application guide provides all necessary forms and sample worksheets.

2. Applications should be prepared in conformance with the provisions in 7 CFR 1739, subpart A, applicable USDA regulations including 7 CFR parts 3015, 3016, and 3019, and the application guide, which contains instructions and all necessary forms.

Completed applications must include the following:

- a. An Application for Federal Assistance. A completed Standard Form 424 (SF-424).
- b. An executive summary of the Project. The applicant must provide RUS with a general project overview.
- c. Scoring criteria documentation. Each grant applicant must address and provide documentation on how it meets each of the scoring criteria detailed 7 CFR 1739.17.
- d. System design. The applicant must submit a system design, including narrative specifics of the proposal, associated costs, maps, engineering design studies, technical specifications and system capabilities, and any other information necessary to the system design.
- e. Scope of work. The scope of work must include specific activities and services to be performed under the proposal, who will carry out the activities and services, specific time-frames for completion, and a budget for all capital and administrative expenditures reflecting the line item costs for all grant purposes, the matching contribution, and other sources of funds necessary to complete the project.
- f. Community-Oriented Connectivity Plan. The applicant must provide a detailed Community-Oriented Connectivity Plan.

g. Financial information and sustainability. The applicant must provide financial statements and information, and a narrative description demonstrating the sustainability of the Project.

h. A statement of experience. The applicant must provide a written narrative demonstrating its capability and experience, if any, in operating a broadband telecommunications system.

i. Evidence of legal authority and existence. The applicant must provide evidence of its legal existence and authority to enter into a grant agreement with RUS and to perform the activities proposed under the grant application.

j. Funding commitment from other sources. If the Project requires additional funding from other sources in addition to the RUS grant, the applicant must provide evidence that funding agreements have been obtained to ensure completion of the Project, as outlined in Section IV A. 5.

k. Compliance with other federal statutes. The applicant must provide evidence of, or certify compliance with, other federal statutes and regulations, including, but not limited to the following:

(i) 7 CFR part 15, subpart A--Nondiscrimination in Federally Assisted Programs of the Department of Agriculture--Effectuation of Title VI of the Civil Rights Act of 1964.

(ii) 7 CFR part 3015--Uniform Federal Assistance Regulations.

(iii) 7 CFR part 3017--Governmentwide Debarment and Suspension (Non-procurement).

(iv) 7 CFR part 3018--New Restrictions on Lobbying.

(v) 7 CFR part 3021 -- Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

(vi) Certification regarding Architectural Barriers.

(vii) Certification regarding Flood Hazard Precautions.

(viii) An environmental report, in accordance with 7 CFR 1794.

(ix) Certification that grant funds will not be used to duplicate lines, facilities, or systems providing Broadband Transmission Service.

(x) Federal Obligation Certification on Delinquent Debt.

D. How many copies of an application are required?

1. Applications submitted on paper: Submit an original application and two (2) copies to Rural Development.

2. Electronically submitted applications: The additional paper copies are not necessary if you submit the application electronically through Grants.gov.

E. How and where to submit an application. Grant applications may be submitted on paper or electronically.

1. Submitting applications on paper.

a. Address paper applications to the Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW, Room 2868, STOP 1599, Washington, DC 20250-1599. Applications should be marked "Attention: Director, Broadband Division, Rural Utilities Service."

b. Paper applications must show proof of mailing or shipping consisting of one of the following:

(i) A legibly dated U.S. Postal Service (USPS) postmark;

- (ii) A legible mail receipt with the date of mailing stamped by the USPS; or
- (iii) A dated shipping label, invoice, or receipt from a commercial carrier.

c. Due to screening procedures at the Department of Agriculture, packages arriving via the USPS are irradiated, which can damage the contents. RUS encourages applicants to consider the impact of this procedure in selecting their application delivery method.

2. Electronically submitted applications.

- (a) Applicant may file an electronic application at <http://www.grants.gov>.

Applications will not be accepted via facsimile machine transmission or electronic mail.

Grants.gov contains full instructions on all required passwords, credentialing, and software. Follow the instructions at Grants.gov for registering and submitting an electronic application. If a system problem or technical difficulty occurs with an electronic application, please use the customer support resources available at the Grants.gov website.

(b) First time Grants.gov users should go to the “Get Started” tab on the Grants.gov site and carefully read and follow the steps listed. These steps need to be initiated early in the application process to avoid delays in submitting your application online.

(c) Registering with the Central Contractor Registry (CCR), will take some time to complete, so keep that in mind when beginning the application process. In order to register with the CCR, your organization will need a Data Universal Numbering System (DUNS) Number.

F. Deadlines.

1. Paper applications must be postmarked and mailed, shipped, or sent overnight no later than [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE

FEDERAL REGISTER] to be eligible for FY 2012 grant funding. Late applications are not eligible for FY 2012 grant funding.

2. Electronic grant applications must be received by [INSERT DATE 45 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be eligible for FY 2012 funding. Late applications are not eligible for FY 2012 grant funding.

F. Funding Restrictions.

1. Eligible grant purposes. Grant funds may be used to finance:

a. The construction, acquisition, or leasing of facilities, including spectrum, to deploy Broadband Transmission Service to all participating Critical Community Facilities and all required facilities needed to offer such service to residential and business customers located within the proposed Service Area;

b. The improvement, expansion, construction, or acquisition of a Community Center that furnishes free access to Broadband Transmission Service, provided that the Community Center is open and accessible to all area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for such costs shall not exceed the lesser of five percent (5%) of the grant amount requested or \$100,000;

c. End-User Equipment needed to carry out the Project;

d. Operating expenses incurred in providing Broadband Transmission Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction, as outlined in Section IV. A. 6; and

e. The purchase of land, buildings, or building construction needed to carry out the Project.

2. Ineligible grant purposes.

a. Grant funds may not be used to finance the duplication of any existing Broadband Transmission Service provided by another entity.

b. Facilities financed with grant funds cannot be utilized, in any way, to provide local exchange telecommunications service to any person or entity already receiving such service.

3. Please see 7 CFR 1739.3 for definitions, 7 CFR 1739.12 for eligible grant purposes, and 7 CFR 1739.13 for ineligible grant purposes.

V. Application Review Information

A. Criteria.

1. Grant applications are scored competitively and subject to the criteria listed below.

2. Grant application scoring criteria (total possible points: 100) See 7 CFR 1739.17 for the items that will be reviewed during scoring and for scoring criteria.

a. The rurality of the Project (up to 40 points);

b. The economic need of the Project's Service Area (up to 30 points); and

c. The “community-oriented connectivity” benefits derived from the proposed service (up to 30 points).

B. Review standards.

1. All applications for grants must be delivered to RUS at the address and by the date specified in this notice (see also 7 CFR 1739.2) to be eligible for funding. RUS will review each application for conformance with the provisions of this part. RUS may contact the applicant for additional information or clarification.

2. Incomplete applications as of the deadline for submission will not be considered.

If an application is determined to be incomplete, the applicant will be notified in writing and the application will be returned with no further action.

3. Applications conforming with this part will then be evaluated competitively by a panel of RUS employees selected by the Administrator of RUS, and will be awarded points as described in the scoring criteria in 7 CFR 1739.17. Applications will be ranked and grants awarded in rank order until all grant funds are expended.

4. Regardless of the score an application receives, if RUS determines that the Project is technically or financially infeasible, RUS will notify the applicant, in writing, and the application will be returned with no further action.

C. Selection Process.

Grant applications are ranked by final score. RUS selects applications based on those rankings, subject to the availability of funds.

VI. Award Administration Information

A. Award Notices.

RUS recognizes that each funded project is unique, and therefore may attach conditions to a specific project in the award documents. RUS generally notifies applicants whose projects are selected for awards by faxing an award letter. RUS follows the award letter with a grant agreement that contains all the terms and conditions of the grant. The applicant must execute and return the grant agreement, accompanied by any additional items required by the grant agreement.

B. Administrative and National Policy Requirements. The items listed in paragraph IV.B.2.k of this notice, and the Community Connect Grant Program regulation, application guide, and accompanying materials implement the appropriate administrative and national policy requirements.

C. Reporting.

1. Performance reporting. All recipients of Community Connect Grant Program financial assistance must provide annual performance activity reports to RUS until the project is complete and the funds are expended. A final performance report is also required; the final report may serve as the last annual report. The final report must include an evaluation of the success of the project. See 7 CFR 1739.19.

2. Financial reporting. All recipients of Community Connect Grant Program financial assistance must provide an annual audit, beginning with the first year a portion of the financial assistance is expended. Audits are governed by United States Department of Agriculture audit regulations. Please see 7 CFR 1739.20.

a. Grantees expending \$500,000 or more Federal funds per fiscal year will submit an audit conducted in accordance with OMB Circular A-133. The audit will be submitted within 9 months after the grantee's fiscal year. Additional audits may be required if the project period covers more than one fiscal year.

b. Grantees expending less than \$500,000 will provide annual financial statements covering the grant period, consisting of the organization's statement of income and expense and balance sheet signed by an appropriate official of the organization. Financial statements will be submitted within 90 days after the grantee's fiscal year.

3. Recipient and Subrecipient Reporting. The applicant must have the necessary processes and systems in place to comply with the reporting requirements for first-tier-sub-awards and executive compensation under the Federal Funding Accountability and Transparency Act of 2006 in the event the applicant receives funding unless such applicant is exempt from such reporting requirements pursuant to 2 CFR part 170 Section 170.110(b). The reporting requirements under the Transparency Act pursuant to 2 CFR part 170 are as follows:

a. First Tier SubAwards of \$25,000 or more in non-Recovery Act funds (unless they are exempt under 2 CFR part 170) must be reported by the Recipient to <http://www.fsrs.gov> report no later than the end of the month following the month the obligation was made.

b. The Total Compensation of the Recipient's Executives (5 most highly compensated executives) must be reported by the Recipient (if the Recipient meets the criteria under 2 CFR part 170) to <http://www.ccr.gov> by the end of the month following the month in which the award was made.

c. The Total Compensation of Subrecipient Executives (5 most highly compensated executives) must be reported by the Subrecipient (if the Subrecipient meets the criteria under 2 CFR part 170) to the Recipient by the end of the month following the month in which the subaward was made.

VII. Agency Contacts

A. Web site: <http://www.usda.gov/rus/commconnect.htm> . This Web site maintains up-to-date resources and contact information for the Community Connect Grant Program.

B. Phone: 202-690-4673

C. Fax: 202-690-4389

D. Main point of contact: Kenneth Kuchno, Director, Broadband Division, Rural Utilities Service, U.S. Department of Agriculture.

April 13, 2012

Jonathan Adelstein

Date

Administrator

Rural Utilities Service

[FR Doc. 2012-10614 Filed 05/02/2012 at 8:45 am; Publication Date: 05/03/2012]